

TBA BULLETIN

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The TBA Bulletin is a weekly summary of the most important legal news from India and around the world.

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- CCI authorizes an investigation into Google, alleging abuse of dominance in the e-news market
- Amazon files new legal challenges before the NCLAT in its long-running battle with Future Group

BFSI

- RBI issues master circular to regulate NBFCs financing by banks
- RBI rules provide FinTech firms access to credit bureaus to access credit data

TAXATION

- CBDT made changes to its faceless appeals scheme

ANTITRUST NATIONAL

CCI has launched an antitrust probe into Google over suspected news aggregation abuses

- The CCI has launched an inquiry against Google, alleging that the search engine is "abusing" its dominance in news aggregation to impose unreasonable terms on the outlets.
- The CCI stated that Google dominates certain online services and that the company has broken antitrust laws. It also cited new rules in France and Australia, where the company has been asked to enter into "fair/good faith negotiation" with news publishers for paid content licencing to address the "bargaining power imbalance between the two and the resultant imposition of unfair conditions by Google."
- "When the informant's charges are considered in the context of Google's vertically integrated ecosystem, it appears that news publishers have little option but to accept Google's terms and conditions." On the one hand, Google appears to act as a conduit between diverse news providers and news consumers on the other. Another option for the news publisher is to forego Google's traffic, which would be

detrimental to their income generating," the CCI stated in its 21-page ruling.

The complaint was filed by the Digital News Publishers Association. According to the group, internet search engines account for more than half of their traffic, a sector that Google obviously dominates. The association claimed that Google's display of snippets of news items reduces the number of visitors to news outlets and has an impact on ad revenue "while Google continues[s] to earn ad revenue on its result page," as well as enriches "its search algorithm resulting from the volume of search queries".

Source: [Link](#)

In its legal battle with Future Group, Amazon has filed further legal challenges

- Amazon has filed new legal challenges in its long-running battle with Indian retailer Future Group after the CCI blocked a 2019 accord between the two parties, putting a halt to their arbitration.
- The CCI put a hold on Amazon's 2019 contract with Future, putting a stop to the e-commerce behemoth's attempts to block the sale of Future's retail assets to Indian market leader Reliance Industries.

- The petitions are the latest in a protracted legal struggle between Amazon, Future, and Reliance over what is perceived to be a competition for retail domination in India's burgeoning consumer market.
- Amazon has long claimed that Future's decision to transfer retail assets to Reliance breached the terms of its 2019 agreement. The Singapore arbitration and Indian courts have so far supported the US company's argument. Future denies any wrongdoing.
- Future has maintained that Amazon no longer has a legal basis to continue the matter since the CCI stopped the merger's approval, alleging that Amazon withheld material when obtaining permissions for the purchase.
- Amazon's appeals to the NCLT and the SC are expected to be considered in the coming days.

Source: [Link](#)

BFSI **NATIONAL**

RBI issues regulatory policy on bank funding of NBFCs

- In a [master circular](#) on bank finance to NBFC has been issued by the RBI.
- The restriction on bank credit tied to NBFCs' Net Owned Fund

(NOF) has been lifted for all NBFCs that are statutorily registered with RBI and engage in asset financing, lending, factoring, and investment activities as their primary business.

- As a result, banks may provide NBFCs involved in infrastructure finance, equipment leasing, hire-purchase, lending, factoring, and investment operations with need-based working capital and term loans.
- Banks should not issue guarantees covering inter-company deposits/loans, ensuring that deposits/loans taken by NBFCs/firms are refunded by other NBFCs/firms. The limitation would apply to all sorts of deposits and loans, regardless of origin, including those obtained by NBFCs from trusts and other organisation.
- Furthermore, banks should avoid investing in NBFC-issued Zero Coupon Bonds (ZCBs) unless the issuer NBFC establishes a sinking fund for all accumulated income and invests it in liquid assets / securities (Government bonds).

Source: [Link](#)

Fintech firms now have more access to credit data because of new RBI rules

- The RBI has issued new guidelines for businesses that can get credit data from Credit Information Companies (CICs) or credit bureaus, allowing financial technology corporations to have access to millions of Indians' credit data.
- Credit data might be used by a variety of companies to supply consumers with better-tailored products.
- The move speeds up decision-making by lowering the time it takes to transmit information, increasing openness, and minimizing the need for manual involvement.
- In the absence of access to formal credit data, fintech firms have used proprietary models to assess creditworthiness of different segments of customers which is determined by a variety of factors, including smartphone data and social media footprints in certain situations, as well as work and education. Many of these variables have yet to be proven as reliable predictors of desire to pay back debts.
- Further having direct access to data means having a better understanding of who is accessing it, for what purpose, and if it is being kept.
- The RBI has mandated that some users obtain suitable certification to guarantee that strong and secure technologies

are employed to maintain and safeguard data. The CICs are responsible for ensuring compliance through the defined user setup. The CICs themselves are indirectly included.

Source: [Link](#)

TAXATION **NATIONAL**

The faceless appeal scheme gets a remodeling, but there are challenges to be dealt

- The tax department has tweaked its faceless appeal (*a personal hearing through video conference*) process, which is now being challenged in the Bombay HC on constitutional grounds. The CBDT has finally addressed one of taxpayers' main concerns i.e., the tax office's discretion when it comes to requests for personal hearings.
- According to the recently announced scheme, the commissioner (appeals) can

order the taxpayer or authority that filed the appeal to furnish extra papers or evidence when conducting investigations. A comparable provision was also included in the prior system.

- This is problematic since the income tax regulations clearly provide that new evidence can only be brought at the appeal stage in certain situations, such as if the taxpayer was unable to present it to the assessing officer.
- While the new approach permits either the assessing officer or the taxpayer to provide further proof if requested, it's unlikely that this would happen in practice.
- The CBDT has addressed some of taxpayers' concerns in the new scheme. Some of the top changes include:
 1. Allowing Request for Personal Hearing
 2. Simpler Procedures for Tax Disputes
 3. Condoning Delay
 4. Online facilities

Source: [Link](#)

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Sources: Reserve Bank of India, BloombergQuint, TechCrunch and Reuters.